

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

Name of Listed Entity : VST INDUSTRIES LIMITED

Quarter Ended : 31<sup>st</sup> March, 2017

| <b>I. Composition of Board of Directors</b> |                                 |                        |                                   |  |                                |  |  |   |
|---|---------------------------------|------------------------|-----------------------------------|--|--------------------------------|--|--|---|
| <b>Title<br/>(Mr./Ms.)</b>                  | <b>Name of the<br/>Director</b> | <b>PAN &amp; DIN</b>   | <b>Category</b>                   | <b>Date of<br/>appointment<br/>in the current<br/>term/cessation</b> | <b>Tenure</b>                  | <b>No. of<br/>Directorship<br/>in listed<br/>entities<br/>including<br/>this listed<br/>entity</b> | <b>No. of<br/>memberships in<br/>Audit/Stakeholder<br/>Committee(s)<br/>including this<br/>listed entity</b> | <b>No. of post of<br/>Chairperson in<br/>Audit/Stakeholder<br/>Committee held in<br/>listed entities<br/>including this<br/>listed entity</b> |
| Mr.   | Raymond S.<br>Noronha           | ABSPN6852C<br>00012620 | Chairperson<br>– Non<br>Executive | 12.8.2015  | -                              | 1  | 2  | -   |
| Mr.   | S. Thirumalai                   | AINPS9217J<br>00011899 | Independent<br>– Non<br>Executive | 1.10.2014  | 5 years<br>w.e.f.<br>1.10.2014 | 1  | 2  | 1   |
| Ms.   | Mubeen S.<br>Rafat              | AEHPR9974B<br>06776540 | Independent<br>– Non<br>Executive | 12.8.2014  | 5 years<br>w.e.f.<br>12.8.2014 | 1  | 2  | 1   |
| Mr.   | N. Sai Sankar                   | ABIPN9736H<br>00010270 | Executive                         | 1.1.2016   | -                              | 1  | 1  | -   |
| Mr.   | Devraj Lahiri                   | AAVPL3162D<br>03588071 | Executive                         | 1.7.2016   | -                              | 1  | 1  | -   |
| Mr.   | Ramakrishna<br>V. Addanki       | AKTPA2869A<br>07147591 | Non-<br>Executive -<br>Nominee    | 12.8.2015  | -                              | 1  | -  | -   |

| <b>II. Composition of Committees</b>   |                                  |   |
|--|----------------------------------|---|
| <b>Name of Committee</b>               | <b>Name of Committee Members</b> | <b>Category</b>                           |
| 1. Audit Committee                     | Mr. S. Thirumalai                | Chairperson – Non Executive - Independent |
|  | Mr. Raymond S. Noronha           | Non Executive                             |
|  | Ms. Mubeen Rafat                 | Non Executive – Independent               |
| 2. Nomination & Remuneration Committee | Mr. S. Thirumalai                | Chairperson – Non Executive - Independent |
|  | Mr. Raymond S. Noronha           | Non Executive                             |
|  | Ms. Mubeen Rafat                 | Non Executive – Independent               |
| 3. Stakeholders Relationship Committee | Ms. Mubeen Rafat                 | Chairperson – Non Executive - Independent |
|  | Mr. Raymond S. Noronha           | Non-Executive                             |
|  | Mr. S. Thirumalai                | Non Executive – Independent               |
|  | Mr. N. Sai Sankar                | Executive                                 |
|  | Mr. Devraj Lahiri                | Executive                                 |

| <b>III. Meeting of Board of Directors</b>      |  |   |
|--|--|---|
| <b>Date of Meeting in the previous quarter</b> | <b>Date of Meeting in the relevant quarter</b> | <b>Maximum gap between any two consecutive meetings in number of days</b> |
| 1.11.2016                                      | 20.1.2017                                      | 79 days   |

| <b>IV. Meeting of Committees</b>                                |  |   |   |
|---|--|---|---|
| <b>Date of meeting of the committee in the relevant quarter</b> | <b>Whether requirement of Quorum met</b> | <b>Date of meeting of the committee in the previous quarter</b> | <b>Maximum gap between any two consecutive meetings in number of days</b> |
| Audit Committee   |  |   |   |
| 19.1.2017   | Yes                                      | 1.11..2016  | 78 days   |

| <b>V. Related Party Transactions</b>   |                          |
|--|--------------------------|
| <b>Subject</b>   | <b>Compliance Status</b> |
| Whether prior approval of audit committee obtained   | NA                       |
| Whether shareholder approval obtained for material RPT   | NA                       |
| Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee | NA                       |

| <b>VI. Affirmations</b>  |
|--|
| <ol style="list-style-type: none"> <li>1. The composition of Board of Directors is in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Yes</li> <li>2. The composition of the following committees is in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 <ol style="list-style-type: none"> <li>a. Audit Committee Yes</li> <li>b. Nomination &amp; Remuneration Committee Yes</li> <li>c. Stakeholders Relationship Committee Yes</li> </ol> </li> <li>3. The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Yes</li> <li>4. The meetings of the Board of Directors and the above committees have been conducted in the manner as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Yes</li> <li>5. This report will be placed before the Board of Directors, at their next meeting scheduled on 18<sup>th</sup> April, 2017</li> </ol> |

**For VST INDUSTRIES LIMITED**

  
**PHANI K. MANGIPUDI**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**

Place: Hyderabad

Date: April 06, 2017

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

Name of the Listed Entity: **VST INDUSTRIES LIMITED**  
 Year ended : **31<sup>st</sup> March, 2017**

| I. Disclosure on website in terms of Listing Regulations | Item  | Compliance status |                   |
|--|---|-------------------|-------------------|
|  | Details of business   | Yes               |                   |
|  | Terms and conditions of appointment of independent directors  | Yes               |                   |
|  | Composition of various committees of board of directors   | Yes               |                   |
|  | Code of conduct of board of directors and senior management personnel   | Yes               |                   |
|  | Details of establishment of vigil mechanism/Whistle Blower policy   | Yes               |                   |
|  | Criteria of making payments to non-executive directors  | Yes               |                   |
|  | Policy on dealing with related party transactions   | Yes               |                   |
|  | Policy for determining 'material' subsidiaries  | NA                |                   |
|  | Details of familiarization programmes imparted to independent directors   | Yes               |                   |
|  | Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances | Yes               |                   |
|  | Email address for grievance redressal and other relevant details  | Yes               |                   |
|  | Financial results   | Yes               |                   |
|  | Shareholding pattern  | Yes               |                   |
|  | Details of agreements entered into with the media companies and/or their associates   | NA                |                   |
|  | New name and the old name of the listed entity  | NA                |                   |
| II Annual Affirmations                                   | Particulars   | Regulation Number | Compliance Status |
|  | Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'                       | 16(1)(b)&25(6)    | Yes               |
|  | Board composition   | 17(1)             | Yes               |
|  | Meeting of Board of Directors   | 17(2)             | Yes               |
|  | Review of Compliance Reports  | 17(3)             | Yes               |
|  | Plans for orderly succession for appointments   | 17(4)             | Yes               |
|  | Code of Conduct   | 17(5)             | Yes               |
|  | Fees/compensation   | 17(6)             | Yes               |
|  | Minimum Information   | 17(7)             | Yes               |
|  | Compliance Certificate  | 17(8)             | Yes               |
|  | Risk Assessment & Management  | 17(9)             | Yes               |
|  | Performance Evaluation of Independent Directors   | 17(10)            | Yes               |



|   |                         |     |
|---|-------------------------|-----|
| Composition of Audit Committee  | 18(1)                   | Yes |
| Meeting of Audit Committee  | 18(2)                   | Yes |
| Composition of Nomination & Remuneration Committee  | 19(1) & (2)             | Yes |
| Composition of Stakeholder Relationship Committee   | 20(1) & (2)             | Yes |
| Composition and role of Risk Management Committee   | 21(1),(2),(3),(4)       | Yes |
| Vigil Mechanism   | 22                      | Yes |
| Policy for related party transaction  | 23(1),(5),(6),(7) & (8) | Yes |
| Prior or Omnibus approval of Audit Committee for all related party transactions                                   | 23(2), (3)              | NA  |
| Approval for material related party transactions  | 23(4)                   | NA  |
| Composition of Board of Directors of unlisted material subsidiary   | 24(1)                   | NA  |
| Other Corporate Governance requirements with respect to subsidiary of listed entity                               | 24(2),(3),(4),(5) & (6) | NA  |
| Maximum Directorship & Tenure   | 25(1) & (2)             | Yes |
| Meeting of Independent Directors  | 25(3) & (4)             | Yes |
| Familiarization of Independent directors  | 25(7)                   | Yes |
| Membership in Committees  | 26(1)                   | Yes |
| Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel | 26(3)                   | Yes |
| Disclosure of shareholding by Non-Executive Directors   | 26(4)                   | Yes |
| Policy with respect to obligations of directors and senior management   | 26(2) & 26(5)           | Yes |

### III Affirmations

The Listed Entity has approved Material Subsidiary Policy and the Corporate Governance requirements with respect to subsidiary of Listed Entity have been complied. [Not applicable since Company does not have any subsidiary]

Name & Designation: Mr. Phani K. Mangipudi, Company Secretary & Compliance Officer

Place : Hyderabad

Date : 07.04.2017